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MEMORANDUM

DATE: December 12, 2000

TO: Metropolitan King County Councilmembers

FROM: Don Eklund, County Auditor

SUBJECT: Management Study of Parks Department Span of Control

Attached for your review is the management study of the Parks Department span of control. The study objectives were to determine what staffing changes occurred in the Parks Department since 1993 and how those changes impacted the department's span of control, as well as whether the ratio of administrative and support staff to service and program staff has changed and the reasons for such changes, if any.

The general study conclusions are that from 1993 to 2000, the number of organizational layers has increased due to the Parks reorganization from a division to a department and, based on available data, the span of control in the Parks Department has remained fairly constant since or decreased slightly (i.e., fewer workers to supervisors). Additionally, the number of overhead (i.e., administrative and support) positions has increased due to the addition of two new sections in the department, while the number of program and service positions has decreased due to the transfer of facilities to incorporated cities.

The Executive's response to the study is included as Appendix 8. The Executive agreed with the findings and recommendations and committed to conducting an analysis of alternative organizational structures for the Parks Department by June 1, 2001.

We appreciate the excellent cooperation received from the management and staff of the Parks Department during the audit process.

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MANAGEMENT STUDY

PARKS DEPARTMENT SPAN OF CONTROL



Don Eklund, King County Auditor
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Report No. 2000-08

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Abbreviations

EEO	Equal Employment Opportunity
FTE	Full-Time Equivalent
PDLM	Program Development and Land Management
PP&R	Parks, Planning and Recreation

REPORT SUMMARY

Introduction

The management study of the Parks Department span of control was requested by the Metropolitan King County Council as a result of council concerns that staffing reductions occurred among line staff, particularly parks maintenance staff, while the number of managerial and administrative staff increased.

Study Objectives

The objectives of this study were to compare the organizational structure of the Parks Department from 1993 to 1998 to determine:

- what staffing changes were made and how those changes impacted the span of control in the Parks Department, and
- whether the ratio of administrative and support staff to service and program staff has changed and the reasons for such changes, if any.

General Conclusions

The general study conclusions were that from 1993 to 2000, the number of organizational layers increased due to the reorganization of Parks from a division to a department and, based on available data, that the span of control has either decreased or remained fairly constant. Additionally, the number of overhead positions (i.e., administrative and support) has increased due to the addition of two new sections, while the number of program and service positions has decreased due to the transfer of facilities to incorporated cities.

FINDINGS AND RECOMMENDATIONS

Finding 1 (Page 5)

From 1993 to 2000, the average span of control in the parks department is estimated to have decreased from 5.19 to 4.56 while total staffing decreased by 128.68 full-time equivalent (FTE) employees, and from 1993 to 1998, salary expenses decreased by \$541,929. However, the likelihood that FTEs for extra help staff were overstated in 1993 means that the span of control may have remained fairly constant from 1993 to 2000.

Audit staff found that the number of organizational layers increased from six to seven from 1993 to 2000 due to reorganization of the Parks Division into a department. Additionally, the department's average span of control is estimated to have decreased from 5.19 employees per manager, supervisor, or lead in 1993 to 4.56 in 2000. However, due to uncertainty regarding the actual number of extra help FTEs available in 1993 and the likelihood that extra help FTEs were overstated in that year, the span of control may have remained fairly constant, from an estimated 4.54 in 1993 to 4.56 in 2000.

Audit staff also found that total staffing decreased over 20%, from 531.2 FTEs in 1993 to 424.37 FTEs in 1998, excluding volunteers, while salary expenses decreased only 4%, from \$12.8 million in 1993 to \$12.25 million in 1998. Staffing decreased an additional 5.4%, from 424.37 FTEs in 1998 to 402.52 FTEs in 2000. Although total staffing decreased, the number of permanent FTEs increased, primarily due to implementation of the settlement agreement of the Logan/Knox lawsuit which required the county to convert certain temporary and part-time positions to permanent FTEs.

The primary cause of the low span of control is the high number of lead staff in the department. Additionally, if the overall span of control did in fact decrease, one reason is a large decrease in nonmanagement employees, especially extra help FTEs, combined with a smaller, disproportionate decrease in management FTEs.

The study recommended that the executive review the organizational structure of the Parks Department to identify areas where organizational layers can be eliminated as well as management positions that can be eliminated or converted to nonmanagement positions, and then initiate negotiations with the appropriate labor unions to implement those organizational changes that will impact represented employees.

Finding 2 (Page 20)

The number of administrative and support FTEs increased by 70% while the number of service and program FTEs decreased by 32% from 1993 to 2000. Moreover, salary expenses for administration and support almost doubled from 1993 to 1998 while decreasing 14% for services and programs.

Audit staff found that the number of overhead staff increased over 70%, from 39 FTEs in 1993 to 66.37 FTEs in 2000, while service and program staff decreased almost 32%, from 492.2 FTEs in 1993 to 402.52 FTEs in 2000.

Many of the overhead staffing increases were due to the reorganization of the Parks Division into a department, but some resulted from establishing the Marketing and Community Outreach Section and the Program Development and Land Management Section. Although overhead staffing increased 55% from 1993 to 1998, overhead salary expenses increased over 96%, from \$1.14 million to \$2.24 million during that same

time, primarily due to the addition and reclassification of positions resulting from these organizational changes.

The reduction in service and program FTEs resulted from a combination of the transfer of facilities (e.g., parks and pools) to incorporated cities and the loss of numerous extra help FTEs due to implementation of the settlement agreement for the Logan/Knox settlement agreement.

Although audit staff did not review the tasks performed by Parks Department staff to determine whether the ratio of overhead to service and program staff was appropriate, we did find instances where increases in overhead staff may have offset the loss of service and program staff. One example of this is in the Marketing Section where the focus of employees' work has been to increase the amount of sponsors and pro bono work received by the department as well as the number of volunteers working for the department. These all indirectly increase the number of service and program FTEs in the department.

The study recommended that the executive review the organizational structure of the Parks Department to determine if there are areas where overhead FTEs can be eliminated or converted to service/program FTEs in order to reduce the percentage of administrative and support costs.

AUDITOR'S MANDATE

The Parks Department span of control was reviewed by the County Auditor's Office pursuant to Section 250 of the King County Home Rule Charter and Chapter 2.20 of the King County Code. The study was performed in accordance with generally accepted government auditing standards with the exception of an external quality control review.

1 INTRODUCTION

Background

The management study of the Parks Department span of control was requested by the Metropolitan King County Council and included in the 1999 Auditor's Office work program. The study was prompted by council concerns that staffing reductions occurred among line staff, particularly parks maintenance staff, while the number of managerial and administrative staff increased.

Study Objectives

The objectives of this study were to compare the organizational structure of the Parks Department from 1993 to 1998 to determine:

- what staffing changes were made and how those changes impacted the span of control in the Parks Department, and
- whether the ratio of administrative and support staff to service and program staff has changed and the reasons for such changes, if any.

Study Scope and Methodology

The scope of this study was limited to reviewing the span of control and identifying organizational changes for the Parks Department. This study uses the same methodology for determining the span of control as was used in the Auditor's Office management study, Span of Control, Report No. 94-1, April 1994. The methodology for calculating the span of control is described in Appendix 1.

Audit staff compared the changes using organization charts, which we developed in collaboration with Parks Department staff, showing the staffing and reporting structures within Parks during 1993 and 1998 (see Appendices 2 and 3, respectively). The 1993 chart represents the organization as a division within the

Department of Parks, Planning and Resources (PP&R) and is based on the chart that was used in Report 94-1. In 1995, PP&R was dissolved and Parks became its own department. Thus, the 1998 charts represent the staffing of the Parks Department.

Audit staff began work on this study in mid-1998; but after completing a significant portion of the report, we temporarily stopped working on it to complete other higher priority audit projects. Due to the delay in completing the study, this report includes an updated organization chart that reflects the structure of the Parks Department for the year 2000 (see Appendix 4). This report also includes span of control calculations for the 2000 organizational structure and some brief discussion of the staffing changes that occurred between 1998 and 2000. Although audit staff would have been able to estimate the year-end 2000 salary expenses for permanent staff, it would have been difficult to estimate the year-end salary expenses for extra help staff because of the seasonal nature of their work. Consequently, the salary expenditure comparisons shown in this report are for 1993 and 1998 only.

2 SPAN OF CONTROL FINDINGS AND RECOMMENDATIONS

Background

The term “span of control” refers to the number of subordinates who report directly to a single manager, supervisor, or lead (i.e., “management”). Spans of control are generally presented either as a management to staff ratio showing the number of nonmanagement staff for each person with supervisory responsibilities, or as an average number of staff who report directly to each person with supervisory responsibilities.

In 1994, the Auditor’s Office published a span of control study based on the organizational structures of county departments during 1993. This chapter reviews the span of control of the Parks Department based on its organizational structure during 1993, 1998, and 2000; compares the organizational changes from 1993 to 2000; and discusses some of the reasons for and impacts of those changes. The positions from Parks Capital Improvement and the Office of Open Space that were transferred to other departments during the Parks reorganization are included in the 1993 span of control counts to avoid skewing the ratios. However, to provide a more accurate comparison of actual salary expenses between 1993 and 1998, the staffing counts and salary expenses for 1993 include only the positions that were still part of the Parks Department in 1998.

This chapter also discusses changes that occurred in the ratio of administrative and support staff (i.e., overhead staff) to service and program staff, as well as reasons for those changes.

“Management” Includes Managers, Supervisors, and Leads

For purposes of this study, the terms “manager,” “supervisor,” and “lead” are the positions that collectively represent “management.” The definitions for each type of managerial position are the same as those used in the 1994 span of control study:

- **MANAGER** – Major duties and responsibilities are planning, coordinating, integrating, executing, controlling, and evaluating activities, subfunctions and functions of an organization including budget, policies, procedures, and staff supervision. Tasks may be accomplished through subordinate supervisors. Manager positions are limited to department directors, deputy directors, division managers, and assistant division managers.
 - **SUPERVISOR** – Any individual having authority, in the interest of the employer, to hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, or discipline other employees; or responsibility to direct them or adjust their grievances, or to recommend such action if the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.
 - **LEAD** – An employee who in addition to his/her duties has regular responsibility to assign, instruct, and check the work of others as a significant part of his/her responsibilities.
-

FINDING 1

FROM 1993 TO 2000, THE AVERAGE SPAN OF CONTROL IN THE PARKS DEPARTMENT IS ESTIMATED TO HAVE DECREASED FROM 5.19 TO 4.56 WHILE TOTAL STAFFING DECREASED BY 128.68 FULL-TIME EQUIVALENT (FTE) EMPLOYEES, AND FROM 1993 TO 1998, SALARY EXPENSES DECREASED BY \$541,929. HOWEVER, THE LIKELIHOOD THAT FTEs FOR EXTRA HELP STAFF WERE OVERSTATED IN 1993 MEANS THAT THE SPAN OF CONTROL MAY HAVE REMAINED FAIRLY CONSTANT FROM 1993 TO 2000.

The 1994 span of control study stated that contemporary organizational management authors recommend five or fewer organizational layers from line staff to the highest person in an organization. The study also stated that contemporary authors clearly agree that low spans of control (i.e., six or fewer) are inefficient, although consensus has not been reached regarding an ideal span of control. The study identified several impacts of excessive organizational layers and low spans of control, including distortion of communication as it flows through the organization, slow and ineffective decision-making processes, an emphasis on controlling the bureaucracy rather than on customer service, and higher costs resulting from a larger number of managers and management support staff.

The concepts presented in the 1994 span of control study are still valid today. Additionally, many of the recent initiatives presented to voters in Washington State demonstrate citizens' demand for more responsive government at a lower cost. One of the most effective ways to meet these demands is to streamline functions through increased spans of control.

**The Number of
Organizational Layers
Has Increased While
the Span of Control
Has Decreased**

Audit staff counted the number of organizational layers; calculated the span of control for the department as a whole, for divisions within the department, and for position types; and compared changes in staffing from 1993 to 2000. Exhibit A shows the results of these calculations.

EXHIBIT A				
COMPARISON OF PARKS DEPARTMENT SPAN OF CONTROL RATIOS FOR 1993, 1998, AND 2000				
	<u>1993</u>	<u>1998</u>	<u>2000</u>	<u>Cumulative Difference</u>
Organizational Layers	6	7	7	+1
Average Span of Control	5.19	5.02	4.56	-0.63
Management as a Percentage of Total Personnel	19.22%	19.87%	21.88%	+2.66%
Employees to Management	4.20	4.03	3.57	-0.63
Direct Subordinates per Manager	6.50	7.75	12.06	+5.56
Direct Subordinates per Supervisor	5.68	4.98	5.97	+0.29
Direct Subordinates per Lead	4.70	4.44	3.57	-1.13

Note: The ratios all include seasonal, temporary, and extra help staff converted to full-time equivalents (FTEs).

SOURCE: Audit staff analysis of Parks Department organization charts

**Number of Organizational Layers Has Increased Due to
Reorganization of Parks Division to Parks Department**

Although the executive response to the 1994 span of control study indicated an intent to reduce the number of organizational layers during the consolidation of King County and Metro, Exhibit A shows that the Parks Department increased its organizational layers from six to seven between 1993 and 2000. Since the department director reports to the county executive, the number of layers from the line staff to the county executive would actually be eight. This is three more than the maximum recommended by contemporary authors. It should be noted that this is one layer less than the nine layers in the executive branch found in the 1994 span of control study. The new layer can be attributed to the addition of a manager in the Recreation, Aquatics, and Fairgrounds Division and elevation of the Park Maintenance Section supervisor to manager of the Maintenance

and Facilities Division during the reorganization of Parks Division into a department.

Based on Available Data, the Average Span of Control Has Decreased

Exhibit A also shows that the department's average span of control decreased from 5.19 in 1993 to 4.56 in 2000, despite the commitment by the former county executive to increase spans of control during the King County and Metro consolidation. This decrease means the average span of control for the Parks Department has fallen far below the King County average of 5.57 for all agencies and the executive branch average of 5.49 that existed at the time of the 1994 study, which were already well below the minimums recommended by contemporary authors. The ratios of direct subordinates per manager, supervisor, and lead indicate that while the span of control for managers and supervisors have increased significantly, the primary cause of the decrease in the overall span of control is the decrease in direct subordinates per lead.

To provide the best representation of Parks Department staffing, the span of control ratios include extra help staff (including seasonal, temporary, and volunteer staff) converted to FTEs. Appendix 5 shows the details of the calculations included in Exhibit A, as well as span of control ratios based on permanent staff only and on total staff without converting extra help staff to FTEs. It should be noted that the FTE conversions for extra help staff in 1993 were based on Parks Division managers' estimates, whereas the 1998 conversions were based on actual data maintained by the department.

Extra Help FTEs May Have Been Overstated in 1993, Which May Mean the Span of Control Remained Constant From 1993 to 2000

It is likely that the number of extra help FTEs were overstated in 1993 given the significant difference in the number of aquatics and recreation extra help staff between the 1993 and 1998 organization charts. This means that the span of control for 1993 may have been lower than what is shown in Exhibit A. Although data was not available to determine the extent to which the extra help FTEs may have been misstated, audit staff determined that 222.37 extra help FTEs may have been a more reasonable number, based on a ratio of 1993 extra help salaries to 1998 extra help salaries.¹ Using the revised estimate of extra help FTEs, the average span of control would have changed to 4.54 for 1993. This comparison indicates that the organizational changes made by the Parks Department may have actually resulted in almost no change in the span of control when compared to the average span of control of 4.56 for 2000. However, the span of control still remains far below that recommended by contemporary organizational management authors.

Despite the uncertainty regarding the actual span of control for 1993, audit staff continued to use the figures provided for the 1993 organization chart as the basis for our discussion in this report because data was not available for us to verify what the extra help FTEs should have been. It should be noted, however, that the conclusions in this report that may have been impacted by this constraint are specifically identified.

¹ We calculated this number by dividing the 1993 extra help salary expenses by the 1998 extra help salary expenses and multiplying the result by the number of extra help FTEs in the Parks Department in 1998 (i.e., $\$3,934,888 \div \$2,872,610 \times 162.34$). An alternate calculation based on the average annual salary per FTE in 1998 provided the same results. In this calculation, we divided the 1998 extra help salary costs by the 1998 extra help FTEs to obtain an average salary per FTE, then divided the 1993 extra help salary expenses by the average salary per FTE (i.e., $\$2,872,610 \div 162.34 \text{ FTEs} = \$17,695 \text{ per FTE}$; $\$3,934,888 \div \$17,695 = 222.37 \text{ FTEs}$).

Staffing and Salary Expenses Both Decreased but by Disproportionate Amounts

Audit staff also calculated salary costs and compared changes in those costs from 1993 to 1998. Exhibit B shows the results of these calculations.

EXHIBIT B
COMPARISON OF STAFF AND SALARY² CHANGES FOR 1993 AND 1998

BY MANAGEMENT LEVEL:	NO. OF EMPLOYEES				SALARY			
	1993	1998	DIFF.	% CHANGE	1993	1998	DIFF.	% CHANGE
Managers	2.00	4.00	+2.00	+100.0%	\$138,452	\$298,368	+\$159,916	+115.5%
Supervisors	14.00	12.00	-2.00	-14.3%	691,830	605,580	-86,250	-12.5%
Leads	86.00	71.17	-14.83	-17.2%	2,504,212	2,506,995	+2,783	+0.1%
SUBTOTAL	102.00	87.17	-14.83	-14.5%	\$3,334,494	\$3,410,943	+\$76,449	+2.3%
Employees (excl. volunteers)	429.20	337.20	-92.00	-21.4%	9,461,359	8,842,981	-618,378	-6.5%
TOTAL	531.20	424.37	-106.83	-20.1%	\$12,795,853	\$12,253,924	-\$541,929	-4.2%
BY EEO CATEGORY:								
Administrative	2.00	3.00	+1.00	+50.0%	\$153,775	\$229,785	+\$76,010	+49.4%
Technician	0.00	2.00	+2.00		0	75,616	+75,616	
Office/Clerical	29.00	34.39	+5.39	+18.6%	670,382	920,445	+250,063	+37.3%
Professional	56.00	53.00	-3.00	-5.4%	2,388,727	2,342,840	-45,887	-1.9%
Skill Craft	23.00	15.00	-8.00	-34.8%	1,011,203	682,305	-328,898	-32.5%
Service Maintenance	180.40	150.64	-29.76	-16.5%	5,353,475	4,921,502	-431,973	-8.17%
Paraprofessional	240.80	166.34	-74.46	-30.9%	3,218,291	3,081,431	-136,860	-4.3%
TOTAL	531.20	424.37	-106.83	-20.1%	\$12,795,853	\$12,253,924	-\$541,929	-4.2%
BY PERMANENT AND NONPERMANENT STAFF:								
NUMBER OF STAFF/SALARY:								
Permanent Staff	240.20	262.03	+21.83	+9.1%	\$8,860,965	\$9,381,314	+\$520,349	+5.9%
Extra Help Staff	291.00	162.34	-128.66	-44.2%	3,934,888	2,872,610	-1,062,278	-27.0%
TOTAL	531.20	424.37	-106.83	-20.1%	\$12,795,853	\$12,253,924	-\$541,929	-4.2%
AS PERCENTAGE OF TOTAL:								
Permanent Staff	45.2%	61.7%			69.2%	76.6%		
Extra Help Staff	54.8%	38.3%			30.8%	23.4%		
TOTAL	100.0%	100.0%			100.0%	100.0%		

SOURCE: Audit staff analysis of Parks Department staffing and salary data

² The dollar amounts shown for 1993 have been adjusted to 1998 values based on annual cost of living allowances. To account for employee turnover during the time frame reviewed, the salary amounts were calculated using step five for positions on the King County salary schedule. The highest step of salary ranges included in collective bargaining agreements was used for represented positions because these positions have fewer steps in their salary ranges, and represented employees advance to higher steps at a quicker rate than nonrepresented employees.

Staffing Decreased by 20.1% From 1993 to 1998 and an Additional 5.4% From 1998 to 2000

Exhibit B summarizes the changes in Parks Department staffing by various categories. The first section identifies the number of staff by management level. It compares where changes occurred in the organizational structure and in total salary expenses. The exhibit shows that the total number of staff in the department decreased by 20.1%, from 531.2 FTEs in 1993 to 424.37 in 1998, excluding volunteers. Appendix 6 shows additional details related to the staff and salary changes, including staff and salaries at each level as a percentage of their respective totals.

Exhibit B does not show staffing changes for 2000 because this study was initiated to identify changes that occurred between 1993 and 1998. However, due to the delay in completing this study, audit staff were able to calculate the span of control changes that had occurred since 1998, which are included in Appendix 5. The staffing by management level for 2000 is included in Appendix 6, which shows that the number of FTEs decreased even further, to 402.52, excluding volunteers. This is a 32% reduction from the 531.2 FTEs in Parks in 1993 and a 5.4% reduction from the 424.37 FTEs in Parks in 1998.

The Largest Decreases Were in the Direct Service Job Categories

The second section of Exhibit B identified changes by the equal employment opportunity (EEO) categories. It shows that the largest amount of the 106.83 FTE staff reduction between 1993 and 1998 occurred in the direct service categories of employees. Staffing in the administrative, technician, and office/clerical categories, which are all overhead categories, increased by 8.39 FTEs, while staffing in the direct service categories of skill craft, service maintenance, and paraprofessional decreased by 112.22

FTEs. Finding 2 provides a more detailed analysis of the staffing changes among overhead and direct service positions, including changes in the professional category, which is a mix of overhead and direct service positions.

Total Staffing Decreased, but Permanent Staffing Increased

The third section of Exhibit B compares changes in the number of permanent and extra help staff for 1993 and 1998. Permanent staff increased by 21.83 FTEs (9%) while extra help staff decreased by 128.66 (44.2%) FTEs. As discussed in more detail below, this shift in staffing is largely attributable to the settlement of the Logan-Knox lawsuit related to temporary staff employed by King County. Appendix 6 shows that staffing changes in 2000 reduced permanent staffing by an additional 3.35 permanent FTEs and extra help staffing by 18.5 FTEs.

Salary Expenses Decreased by 4.24% Between 1993 and 1998³

Exhibit B also shows that although staffing decreased by 20% from 1993 to 1998, salary expenses decreased by only 4.24%, from \$12,795,853 in 1993 to \$12,253,924 in 1998. One reason for the disproportionate change between staffing and salary is the managerial changes that occurred when the Parks Division became a department. These changes include converting the division manager to a department director, the associate manager to a deputy director, and the park operations manager from a supervisor to a manager position in the Maintenance and Facilities Division; and adding a division manager for the Recreation, Aquatics, and Fairgrounds Division. The combination of these changes increased manager salary costs by 115.5%. A second reason is the loss of employee positions

³ Total salary expenses for 2000 are not yet available and cannot be accurately estimated due to the seasonal nature of the extra help staff. Thus, they were not included in the comparison of salary changes that occurred.

that occurred as facilities (e.g., parks and pools) were transferred from the county to incorporated cities without a corresponding decrease in the number of managers, supervisors, and lead staff.

Causes of Decrease in Span of Control

The decrease in the overall span of control between 1993 and 2000 can be attributed to a combination of a large decrease in the number of nonmanagement employees, especially extra help FTEs, and a smaller, disproportionate decrease in management staff.

Staffing Reductions Resulted From Transferring Facilities From King County to Cities

Many of the changes in permanent staffing resulted from park facilities being transferred from King County to incorporated cities. For example, park facilities were transferred to the cities of Sea-Tac and Issaquah in 1994; pool facilities were transferred to Bellevue and Shoreline in 1996; and park facilities were transferred to Shoreline and Burien in 1997. At the same time, it should be noted that the department significantly increased the number of acres of natural areas and open space under its jurisdiction, from 9,000 in 1989 to 22,000 in 2000. These increases in fact mitigated staff losses due to annexations and incorporations over this period. Budget documents for 1993 through 1998 show that the number of permanent FTEs decreased gradually each year, from 243.2 FTEs in the adopted 1993 budget to 214.33 FTEs in the adopted 1998 budget.

Many Staffing Changes Resulted From Implementation of the Logan-Knox Settlement Agreement

The Parks Department added 50 permanent FTEs in 1998 to implement the settlement agreement in the Logan-Knox lawsuit. Although these positions were not shown as part of the 214.33 FTEs in the original adopted budget for 1998, they were added during the year, thereby resulting in the organization chart

showing a net increase of 21.83 permanent FTEs between 1993 and 1998. The 50 additional positions were comprised mostly of program and maintenance positions, including 21 maintenance specialist positions, 14 lifeguard/swim instructors, two pool managers, and three recreation leaders. Adding the permanent FTEs resulted in a reduction of extra help staff. However, it is unclear how many extra help FTE reductions were directly attributable to implementation of the Logan-Knox settlement agreement, especially considering that the 1993 extra help FTEs may have been misstated.

Reviewing both the organization charts and the span of control ratios with a focus on the program and service functions (i.e., recreation/aquatics and maintenance) provides further insight into specific reasons for the decrease in the span of control, as discussed below. Again, it should be noted that the following discussion is based on the FTEs shown on the organization charts, but that the number of FTEs for 1993 may have been misstated due to the number of extra help FTEs being based on managers' estimates rather than actual hours worked.

Regardless, it is still instructive to see how staffing changes affect the span of control.

Recreation, Aquatics, and Fairgrounds Changes Due Primarily to Reduction in Number of Extra Help Staff

The decrease in the Recreation, Aquatics, and Fairgrounds Division average span of control from 4.7 in 1993 to 3.59 in 2000 (see Appendix 5) is primarily due to a reduction in the number of extra help staff without a corresponding decrease in lead and supervisory staff. Extra help aquatics staff decreased from 151 FTEs in 1993 to 98.67 in 1998 and 84.97 in 2000, for a total decrease of 43.7%; however, aquatics supervisory and lead staff decreased only 20.5%, from 43 FTEs in 1993 to 35.17 in 1998 and 34.17 in 2000. Moreover, there was no change in the

number of recreation supervisory and lead staff despite a 62.6% reduction in extra help recreation staff, from 65 FTEs in 1993 to 30.5 in 1998 and 24.3 in 2000.

Maintenance Changes Primarily Due to Reorganization of Division and Staffing Changes

The increase in the Maintenance Division average span of control from 1993 to 1998 resulted from a reorganization that reduced the number of supervisory and lead staff. The division went from a structure that was organized by three large geographic regions in 1993 to one that was organized into ten⁴ smaller geographic districts, two mow/utility districts, and three regional programs (grounds, greenhouse, and crafts), thereby resulting in an overall reduction of one first-line supervisor and 12 lead staff. However, additional organizational changes made between 1998 and 2000 reduced the span of control due to an increase in the number of maintenance lead staff from 15 to 20. This change was due to the addition of a new program added to manage the growth of park resource lands.

Low Span of Control Indicates Need for Objective Review of the Organizational Structure

Although the Parks Department has made some organizational changes for the specific purpose of trying to improve its span of control (e.g., eliminating a lead position in the Aquatics Section and two regional supervisors in Maintenance), it has made other organizational changes which resulted in reducing the overall span of control. Review of the organization charts (Appendices 2-4) and the number of staff at various organizational levels in the department (Appendix 6) reveals that the primary cause of the low span of control is the high number of lead staff in the department.

⁴ The tenth maintenance district, Enumclaw, is shown on the organization charts under the County Fair.

Multiple Issues Can Be Debated Regarding the Current Organizational Structure

There are several issues that can be debated regarding the Parks Department's span of control. Arguments in favor of maintaining the low spans of control that currently exist include:

- The high number of lead and/or supervisory staff are necessary to ensure that the department's work is performed as required given the large number of facilities and extra help staff;
- The large number of lead staff is a cost-effective way to ensure adequate supervision without hiring more costly supervisory staff; and
- The large number of lead staff are required to provide adequate coverage of facilities to ensure patron and employee safety.

Arguments against maintaining the low spans of control include:

- General literature regarding parks maintenance facilities indicates that much of parks maintenance work is largely routine and does not require a high level of skill. Based on this, employees should generally require minimal supervision after an initial period of orientation and training; and
- If a primary reason for justifying the number of lead staff is the number of facilities but the primary reason for staff reductions has been the transfer of facilities to incorporated cities, the number of lead staff should have decreased as the number of facilities decreased.

There are probably many arguments both for and against the existing hierarchy and span of control in the Parks Department. However, the fact that the number of organizational layers has increased and the span of control has decreased since the span of control study was completed in 1994 indicates a strong need to review the existing organizational structure. The question at

hand is what type of changes can be made in Parks Department staffing that will increase spans of control while ensuring that quality maintenance and recreation programs are provided. The following discussion is intended to stimulate thought as to how this objective can be achieved rather than to provide a specific solution to the issue since this study did not include a workload analysis to determine whether the current mix of staffing, and thus, span of control, is appropriate.

Potential Alternatives for Improving Span of Control

In her book, Managing Without Managers, author Shan Martin states that in the early 1980s, “government bureaucracies, with some exceptions, appear to be adapting to this era of scarce resources simply by maintaining less populous hierarchies, trimmer at the bottom, but with ‘fat’ in the upper middle region.” She supported her statement with conclusions reached in a General Accounting Office study of changes in the average grade of employees in the Department of Defense and the federal government as a whole between 1964 and 1980. She added further support by citing a study conducted for the city of Los Angeles which concluded that there had been “a gradual shift in the mix of city employees in Los Angeles, with a decrease in the number of regular employees in direct service functions and an increase in the number in support and administrative functions.”⁵ The organizational changes that occurred in the Parks Department appear to coincide with the conclusion reached by Ms. Martin.

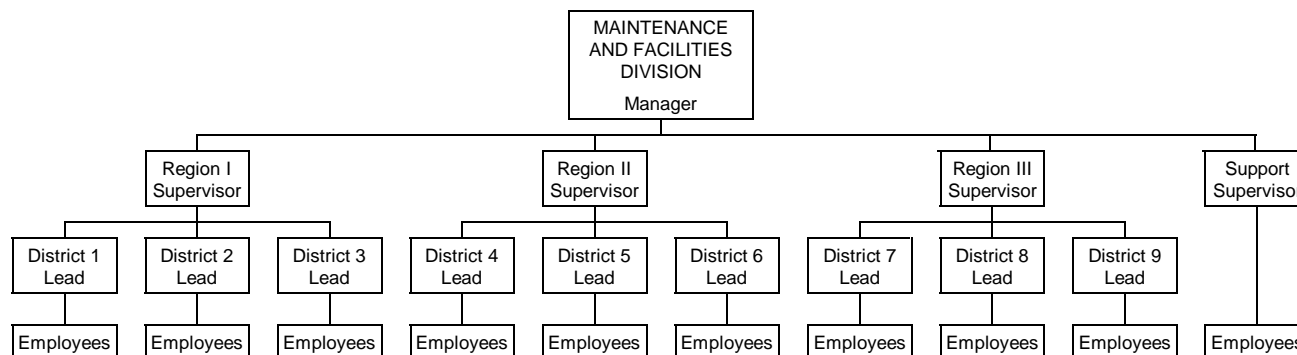
Since this discussion is intended to stimulate thought regarding potential changes, it focuses on only one area in the Parks Department – the Maintenance and Facilities Division, excluding the Enumclaw Park Maintenance District/County Fair. As previously stated, reorganizing the Maintenance Division from a

⁵ Martin, Shan. Managing Without Managers: Alternative Work Arrangements in Public Organizations. Beverly Hills: Sage Publications, Inc., 1983, pg. 51-54.

regional structure in 1993 to a district structure in 1998 resulted in the reduction of one first-line supervisor and 12 lead staff, but the number of lead staff has since increased from 15 to 20. Reorganization options to improve the span of control might include:

Hybrid Regional/District Organizational Structure

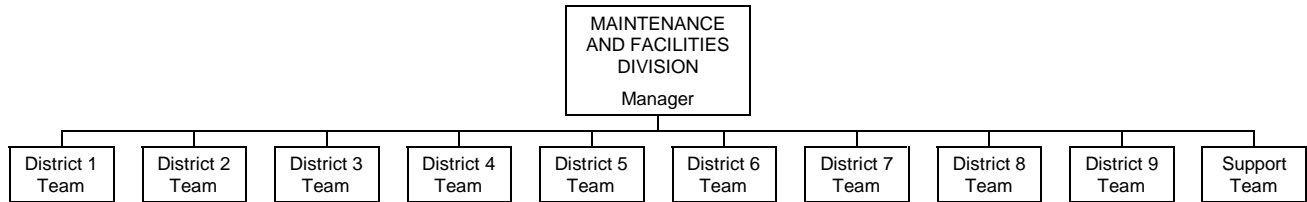
- Using an organizational structure that is a hybrid of the 1993 regional structure and the current district structure. Under this structure, there could be three regions with three districts under each region, one supervisor per region, and one lead per district, with a separate section for maintenance support services (shown on the 2000 organization chart as Renton Office Support and Division Technical Support). While this would increase the number of supervisors overseeing the maintenance functions from two to three supervisors, it would reduce the number of lead staff from 20 to 9. The following diagram shows how such a structure could be organized:



Self-Directed Work Teams

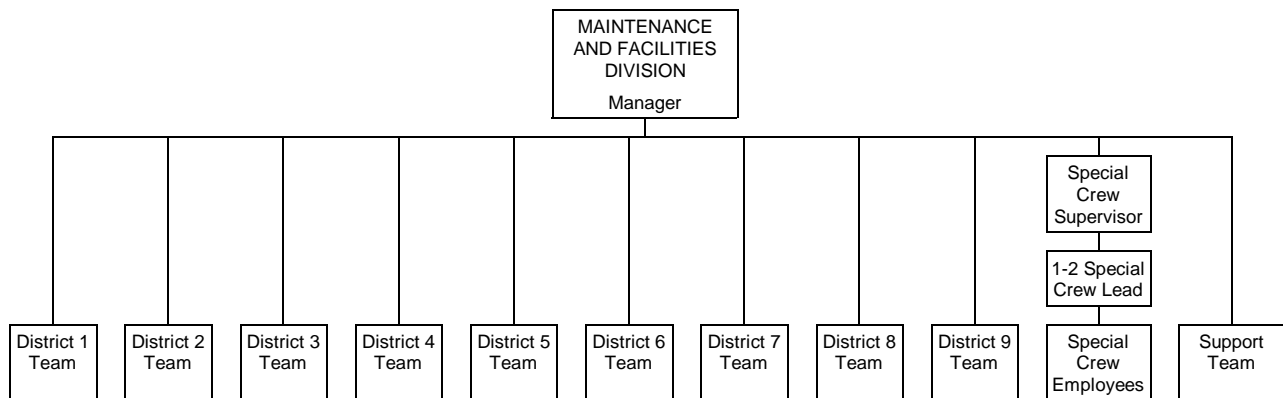
- Implementing the concept of self-directed work teams by establishing a maintenance team for each park maintenance district. This concept was discussed in detail on pages 11-12 of Report 94-1, Span of Control. Dividing all of the current park maintenance FTEs, including extra help FTEs but excluding support staff, among the nine districts would result in 16.77 FTEs per district, which is within the range

recommended by at least one contemporary organizational management author.⁶ The following diagram shows how such a structure might be organized:



Self-Directed Work Teams With Separate Special Crew

- Implementing self-directed work teams along with a separate team for the special crew (i.e., developmentally disabled) staff, which would retain a traditional supervisor and one or two lead staff. This structure would recognize the special supervisory needs of the special crew staff while also recognizing the limited supervisory needs of other maintenance staff. It would also provide the ability to keep at least a portion of the special crew staff dedicated to the greenhouse program. This option would also reduce the number of team members per district to 15.43 FTEs. The following diagram shows how such a structure might be organized:



⁶ Self-directed work teams generally range in size from 6 to 18 employees. Orsburn, Jack D., et al. Self-Directed Work Teams. Homewood: Business One Irwin, 1990, pg. 8.

Options Presented Reflect Contemporary Perspective

These options reflect the more contemporary argument that many of the maintenance functions are routine in nature and would generally not require a high degree of day-to-day supervision. Current literature recommends that employees receive special training prior to implementing self-directed work teams to ensure success of the team concept, which is a factor that would need to be addressed if the team concept is adopted.

Threshold Based on Management as a Percentage of Total Staff by FTEs or Salaries

An additional option that would be applicable on a more general basis to the entire department would be to establish a threshold limiting the ratio of management to employees, either by FTEs or salary costs. For example, if 15% were determined to be a desirable percentage of management to total staff, 60.38 of the current FTEs should be management, rather than the 91.17 FTEs (22.7%) that actually are management.

Ability to Reorganize Department to Reduce Span of Control May Be Limited by Labor Agreements

It is important to recognize that because most of the employees in the Parks Department are members of labor unions, management's ability to reorganize the department is limited, to some extent, by the terms of labor agreements. This constraint is supported by the fact that the Parks Department entered into a settlement agreement with Local 17 in November 1999 after an unfair labor practice was filed on behalf of employees. The basis for the unfair labor practice was that Parks Department management had instituted two self-directed work teams, which had the effect of eliminating two supervisory positions, in the Maintenance and Facilities Division without negotiating the action through the labor union. Thus, any changes that will impact

represented employees must be negotiated through the appropriate labor unions.

RECOMMENDATIONS

- 1-1** The executive should review the organizational structure of the Parks Department to identify areas where organizational layers can be eliminated to bring the number of layers in line with what is recommended by contemporary organizational management authors.
 - 1-2** The executive should review the organizational structure of the Parks Department to identify areas where management positions, and especially lead positions, can be eliminated or converted to nonmanagement employee positions to increase its span of control, improve its provision of services to customers, and reduce management and administrative salary costs.
 - 1-3** After completing recommendations 1-1 and 1-2, the executive should initiate negotiations with the appropriate labor unions to implement organizational changes that will impact represented employees.
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FINDING 2

THE NUMBER OF ADMINISTRATIVE AND SUPPORT FTEs INCREASED BY 70% WHILE THE NUMBER OF SERVICE AND PROGRAM FTEs DECREASED BY 32% FROM 1993 TO 2000. MOREOVER, SALARY EXPENSES FOR ADMINISTRATION AND SUPPORT ALMOST DOUBLED FROM 1993 TO 1998 WHILE DECREASING 14% FOR SERVICES AND PROGRAMS.

One of the objectives of this study was to determine the changes in the number of administrative and support (i.e., overhead) FTEs versus service (e.g., park maintenance) and program (e.g.,

recreation) FTEs. Audit staff identified overhead versus service and program positions based on the organization charts and the EEO category of each position. Appendix 7 lists all of the positions, segregated by their respective EEO categories, with the overhead positions shown in italics. Generally, overhead positions fall into the administrative, technician, and office/clerical EEO categories and service/program positions fall into the skill craft, service maintenance, and paraprofessional categories. The professional category is a mix of both overhead and service/program positions. Exhibit C summarizes the number of overhead versus service/program positions and compares changes from 1993 to 2000.

EXHIBIT C
COMPARISON OF OVERHEAD AND SERVICE/PROGRAM FTEs FOR
1993, 1998, AND 2000

Position Type	<u>1993</u>		<u>1998</u>			<u>2000</u>		
	No. of FTEs	% of Total	No. of FTEs	% of Total	Cumulative % Change	No. of FTEs	% of Total	Cumulative % Change
Overhead	39.00	7.3%	60.39	14.2%	+54.8%	66.37	16.5%	+70.2%
Service and Program	<u>492.20</u>	92.7%	<u>363.98</u>	85.8%	-26.1%	<u>336.15</u>	83.5%	-31.7%
TOTAL	531.20		424.37			402.52		

SOURCE: Parks Department Organization Charts and EEO Job Categories List

Overhead Positions and Salaries Increased But Service/Program Positions and Salaries Decreased

Overhead Positions Increased Over 70% From 1993 to 2000

Exhibit C shows that the number of overhead FTEs increased over 70%, from 39 FTEs in 1993 to 66.37 FTEs in 2000, while the number of service/program positions decreased almost 32%, from 492.2 FTEs in 1993 to 336.15 FTEs in 2000. Moreover, overhead positions more than doubled as a percentage of total positions, from 7.3% of total FTEs in 1993 to 16.5% of total FTEs in 2000.

Audit staff also compared the changes in salary expenses for overhead versus service/program positions from 1993 to 1998.⁷ Exhibit D summarizes the salary expenses for overhead versus service/program positions from 1993 to 1998.

EXHIBIT D						
COMPARISON OF OVERHEAD AND SERVICE/PROGRAM SALARY EXPENSES FOR 1993 AND 1998						
Position Type	1993		1998			
	Salary Expenses	% of Total	Salary Expenses	% of Total	Difference	Cumulative % Change
Overhead	\$1,142,632	8.9%	\$2,243,302	18.3%	+\$1,100,670	+96.3%
Service and Program	<u>\$11,653,221</u>	91.1%	<u>\$10,010,622</u>	81.7%	<u>-\$1,642,599</u>	-14.1%
TOTAL	\$12,795,853		\$12,253,924		-\$541,929	-4.2%

SOURCE: Parks Department Organization Charts, King County Salary Schedules, and Labor Agreements for Parks Department Employees

Overhead Salaries Increased Over 96% From 1993 to 1998

Exhibit D shows that salary expenses for overhead positions increased by \$1,100,670 (96%), from \$1,142,632 in 1993 to \$2,243,302 in 1998, while salary expenses for service/program positions decreased 14%, from \$11,653,221 in 1993 to \$10,010,622 in 1998. It is especially significant that the large increase in overhead salary expenses occurred despite a 4.2% decrease in total salary expenses for the department.

Causes of Increase in Overhead FTEs and Salary Expenses

Reorganization of Parks Department Resulted in Many Overhead FTE and Salary Expense Increases

As previously discussed, changes in the span of control were impacted by the Parks Division reorganizing and becoming its own department. This factor also contributed in part to the increase in overhead FTEs and salary expenses. Reorganizing the division into a department resulted in reclassifications of the division manager to department director, associate manager to

⁷ Audit staff did not compare changes in overhead versus service/program salary expenses for 2000 due to our inability to estimate the cost of extra help salaries for the full year.

deputy director, and confidential secretary I to confidential secretary II. These changes alone increased salary expenses by \$17,821, from \$168,220 in 1993 to \$186,041 in 1998. Other overhead FTE and salary expense increases resulting from the reorganization included adding a confidential secretary in the Recreation, Aquatics, and Fairgrounds Division, adding a program analyst I in the Maintenance Division to supervise the office technician staff, and adding a confidential secretary in the Maintenance Division.

Several other factors had a significant impact on the overhead FTE and salary expense increases. The first was creation of the Marketing and Community Outreach Section, and the second was establishment of the Program Development and Land Management Section (PDLM).

Service/Program Positions Were Eliminated and Higher Salary Expenses Were Incurred When the Marketing Section Was Created

The Marketing and Community Outreach Section was created by converting five existing FTEs to the positions in the section. The impact of the conversion was to eliminate three service/program FTEs and to increase the overall salary expenses. Exhibit E shows the positions that were converted and the salary for each, based on 1998 salary costs.

EXHIBIT E			
FTEs CONVERTED TO MARKETING FTEs			
Position and Function	Salary	Marketing Position	Salary
Rehabilitation Coordinator, PDLM	\$42,636	Program Analyst III	\$50,481
Utility Worker, Maintenance	\$35,185	Program Analyst III	\$50,481
Maintenance Specialist I, Maintenance	\$35,185	Program Coordinator	\$45,833
Recreation Coordinator, Recreation	\$41,622	Recreation/Volunteer Coordinator	\$45,833
Program Analyst III, PDLM	<u>\$50,481</u>	Program Analyst III	<u>\$50,481</u>
TOTAL	\$205,109	TOTAL	\$243,109

SOURCE: Parks Department List of Reclassified Positions, King County Salary Schedule, and Labor Agreements for Parks Department Employees

Exhibit E shows that of the five FTEs converted to Marketing FTEs, three were service/program FTEs. These positions were the utility worker and maintenance specialist I from the Maintenance Division and the recreation coordinator from the Recreation Division. Converting the five FTEs had the net effect of increasing overhead salary costs by \$149,992 (\$35,185 + \$35,185 + \$41,622 for the three converted service/program FTEs plus \$38,000 for the difference between the pre-conversion salaries and post-conversion salaries).

PDLM Added Seven FTEs and Increased Salary Expenses by \$267,776

Establishing the PDLM Section in the new Parks Department resulted in the transfer of nine positions from the old Parks Division (one from the Office of Open Space, four from Parks Capital Improvement Planning, and four who reported to the associate manager). Seven additional FTEs were established in PDLM to support the new department, including three to administer the Parks geographic information system and two to support the local area network. Department salary expenses increased \$267,776 (62.7%), from \$427,262 in 1993 to \$695,038 in 1998, as a direct result of these changes.

Significant Increase in Overhead FTEs Indicates Need for Objective Review of the Organizational Structure

Some New Overhead Positions May Be Reasonable

Since audit staff did not perform a work analysis, we did not determine whether the ratio of overhead to service/program FTEs is appropriate. There are many factors that should be considered in determining whether the existing ratio should be adjusted, some of which are policy decisions as to whether the benefits of increasing the number of overhead FTEs outweigh the costs. For example, although the Marketing and Community Outreach Section is considered an overhead function, it provides many services that ultimately save the Parks Department money and indirectly result in a net gain of service and program FTEs.

One of these is increasing the use of volunteer staff to maintain and enhance park facilities through special projects and establishment of “Friends of” groups. In 1998 and 2000, volunteer staff represented over 14 FTEs, whereas in 1993 they represented only one FTE. The Marketing and Community Outreach Section is also dedicated to identifying potential sponsors and sources of pro bono services, which is one of the ways the section saves money for the department. One example of pro bono services obtained through their efforts is the graphics work to design the poster for the annual King County fair.

Increase in Overhead FTEs Justifies Need for Review

This example indicates that at least some of the overhead functions may be reasonably justified. Additionally, some of the increase in overhead functions may have been necessary outcomes of the reorganization of the Parks Division into a department (e.g., establishing a department manager position). Regardless, the significant increase in the number of overhead positions from 1993 to 1998 indicates a strong need to objectively review the functions performed by these staff and identify areas where improvements can be made.

It is difficult to recommend changes in the ratio of overhead to service/program FTEs without a review of the specific functions performed by these staff. However, as with the span of control, one option that should be considered is to establish a threshold of overhead to service/program FTEs or to limit the percentage of salary expenses related to overhead positions. For example, if 15% were determined to be the desired amount of overhead FTEs, 60.38 of the current FTEs should be for overhead positions rather than the 66.37 (16.5%) that are currently overhead FTEs.

RECOMMENDATION

- 2-1** The executive should review the organizational structure of the Parks Department to determine if there are areas where overhead FTEs can be eliminated or converted to service/program FTEs to reduce the percentage of administrative and support costs.
-